



PSC NEWS

Missouri Public Service Commission

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NATURAL GAS RATES TO DROP FOR LACLEDE GAS COMPANY CUSTOMERS

Jefferson City (January 12, 2005)---To reflect estimated changes in the cost of natural gas for the remaining winter heating season, natural gas rates will drop for Laclede Gas Company customers under a scheduled filing reviewed and accepted by the Missouri Public Service Commission. This rate change takes effect January 13, 2005.

A residential customer currently pays approximately \$0.83 per therm (per 100 cubic feet of gas) for natural gas. Under this filing, the rate will decrease to approximately \$0.71 per therm, a decrease of approximately \$0.12 per therm. This decrease in rates will result in the average residential customer paying approximately 11% less for natural gas service for the remainder of this winter season versus what they would pay if current rates did not change.

Under tariffs on file with the Commission, Laclede Gas Company is scheduled to make four filings each year (January, March, June and November) to reflect the wholesale supplier cost of natural gas. The next scheduled filing is March 2005.

Approximately 65% to 80% of a customer's natural gas bill reflects the cost of natural gas from wholesale suppliers. **The wholesale cost of natural gas** (the cost your local natural gas company must pay to its suppliers for natural gas) **is not regulated by the Missouri Public Service Commission.** The wellhead cost of natural gas is unregulated and is primarily driven by supply, demand and the weather. The Missouri Public Service Commission does conduct an annual regulatory review to ensure that regulated natural gas companies make prudent decisions in securing natural gas supplies for their customers.

Laclede Gas Company serves approximately 631,000 natural gas customers in the City of St. Louis as well as the Missouri counties of St. Louis, St. Charles, Butler, Iron, Franklin, Jefferson, Madison, St. Francois and Ste. Genevieve.